HON'BLE THE CHIEF JUSTICE SRI G.S. SINGHVI
AND
HON'BLE SRI JUSTICE C.V. NAGARJUNA REDDY

Writ Petition No.5318 of 2007

Between:

K. Narayana and others

… Petitioners

And

The Special Deputy Collector (LAO),
Nandyal, Kurnool District & another

… Respondents

:: ORDER::

Counsel for the Petitioners: Mrs.Harija Akkineni for
Shri M.Subba Reddy

March 16, 2007

Per G.S. Singhvi, CJ

Apprehending deduction of tax from the amount of compensation payable to them in lieu of acquisition of their land, the petitioners have filed this petition and made the following prayer:

> "It is therefore prayed that this Hon'ble Court may be pleased to issue a Writ, Order or Direction more one in the nature of Writ of Mandamus or any other appropriate writ order or direction, directing the respondents herein not to deduct any amount from the compensation amount payable to the writ petitioners under the judgment and decree of the Hon'ble High Court towards income tax and to pay the said amount to the petitioners forthwith and pass such other order or orders as are deemed fit and proper in the circumstances of the case.
>
> It is further prayed that this Hon'ble Court may be pleased to direct the respondents herein not to deduct any part of the amount from the compensation amount payable to the petitioners as per the judgment and decree of the Hon'ble High Court towards income tax at the time of payment of compensation, pending disposal of the above writ petition and pass such other order or orders as are deemed fit and proper in the circumstances of the case."

The petitioners are residents of Owk Village and Mandal, Kurnool District. Their land measuring Ac.16-17 cts. was acquired by the competent authority for SRBC, Nandyal. By an award dated 27-3-1991, the Land Acquisition Officer fixed the market value of the land at Rs.13,500/- per acre. The petitioners challenged the award by filing applications under Section 18 of the Land Acquisition Act, 1894 (for short, 'the Act'). Senior Civil Judge, Atmakur enhanced the compensation from Rs.13,500/- per acre to Rs.24,000/- per acre. The State Government challenged the award of the reference court in A.S.Nos.1446 to 1450 of 2000. On notice, the petitioners filed cross objections. By judgment dated 17-3-2006, a Division Bench of this Court dismissed the appeals preferred by the State Government and

allowed the cross objections resulting in further enhancement of compensation from Rs.24,000/- per acre to Rs.32,000/- per acre.

The petitioners are now apprehensive that respondent No.2 may deduct tax from the enhanced amount of compensation ignoring the law laid down by the Supreme Court in **Bikram Singh v. Land Acquisition Officer**[1], judgment of the Division Bench of this Court in **Rana Pratap Singh v. Land Acquisition Officer**[2], unreported orders dated 13-12-1995, 19-11-2002 and 22-6-2005 passed by different Benches in Writ Petition No.3934 of 1989 – **Peddi Reddi Gari Rami Reddy and others v. The Special Collector (L.A.), Srisailam Project and others**, Writ Petition No.22759 of 2002 – **K. Bala Rosi Reddy and others v. The Special Deputy Collector, (Land Acquisition Officer), S.R.B.C., Nandyal and another** and Writ Petition No.11964 of 2005 – **Gaddem Hari Swamy and others v. The Special Deputy Collector, (LAO), S.R.B.C., Nandyal and another** respectively.

We have heard Smt.Harija Akkineni appearing for Shri M. Subba Reddy, learned counsel for the petitioners and perused the record. In our opinion, there is no basis for the apprehension expressed by the petitioners that notwithstanding the law laid down by the Supreme Court and this Court, respondent No.2 will deduct tax from the amount of compensation payable to them in furtherance of judgment dated 17-3-2006 rendered by this Court in A.S.Nos.1446 to 1450 of 2000 and connected cross objections.

The law laid down by the Supreme Court in **Bikram Singh v. Land Acquisition Officer** (supra) is binding on all including respondent No.2 and other public authorities and we cannot entertain the writ petition by presuming that respondent No.2 or for that reason

any officer of the Income Tax Department will take action ignoring the law declared by the Supreme Court. The apprehension of the petitioners, to say the least, is totally unfounded and the writ petition is liable to be dismissed as premature. Ordered accordingly.

However, we give liberty to the petitioners to represent to respondent No.2 not to deduct tax from the amount of compensation payable to them in terms of judgment dated 17-3-2006. We hope and trust that the officer concerned will take appropriate action keeping in view the law laid down by the Supreme Court in **Bikram Singh v. Land Acquisition Collector** (supra) and various orders passed by this Court to which reference has been made hereinabove.

Needless to say that if respondent No.2 deducts tax in violation of the law laid down by the Supreme Court and this Court, the petitioners shall be free to file fresh petition.

As a sequel to dismissal of the writ petition, WPMP No.6772 of 2007 filed by the petitioners for interim relief is disposed of as infructuous.

G.S. SINGHVI, CJ

March 16, 2007

C.V. NAGARJUNA REDDY, J

svs

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[1] (1997) 10 SCC 243

[2] 1998 (2) LACC 674